



4004

**ANNUAL REPORT**

OF

Name: DICKYVILLE TELEPHONE CORPORATION

Principal Office: 140 N MONROE ST  
P.O. BOX 509  
LANCASTER, WI 53813-0509

For the Year Ended: DECEMBER 31, 1997

TELECOMMUNICATIONS UTILITY  
TO  
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854  
Madison, WI 53707-7854  
(608) 267-9504

*This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.*

## **GENERAL RULES FOR REPORTING**

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

## SIGNATURE PAGE

I TERRY M. MATHERS of  
(Person responsible for accounts)

DICKEYVILLE TELEPHONE CORPORATION, certify that I  
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

TERRY M. MATHERS 05/01/1998  
(Person responsible for accounts) (Date)

GENERAL MANAGER  
(Title)

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## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

<b>Access Line</b>	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
<b>Analog Signal</b>	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
<b>Cellular System</b>	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
<b>Central Office</b>	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
<b>Centrex</b>	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
<b>Channel</b>	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
<b>Customer</b>	A person who uses a telephone as a subscriber.
<b>Digital Signal</b>	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
<b>Equal Access</b>	The ability of the subscriber to use any long distance service by dialing the same number of digits.
<b>Exchange</b>	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
<b>Extended Area Service (EAS)</b>	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
<b>Extended Community Calling (ECC)</b>	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
<b>Feature Group A</b>	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

<b>Feature Group B</b>	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
<b>Feature Group C</b>	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
<b>Feature Group D</b>	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
<b>FX-IN</b>	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
<b>FX-OUT</b>	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
<b>Host Switching System</b>	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
<b>Local Access Transport Area (LATA)</b>	A geographic area within which an operating company may offer its telecommunications services.
<b>Mobile Telephone</b>	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
<b>Paging</b>	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
<b>Pair</b>	Two wires of a single circuit.
<b>Pay Station</b>	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
<b>Private Line Service</b>	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
<b>Private Branch Exchange (PBX)</b>	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
<b>Radio Common Carrier (RCC)</b>	A company which furnishes public telecommunications service using one or more radio channels.
<b>Remote Switching Unit (RSU)</b>	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

## **ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

<b>Route Miles</b>	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none"><li>1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.</li><li>2. One mile of a cross country route with any combination of outside plant facilities.</li><li>3. One mile of point-to-point microwave or radio link.</li><li>4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.</li><li>5. One mile of joint use line where the utility either owns the facility or leases space.</li></ol>
<b>Stand Alone Switch</b>	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
<b>Trunk</b>	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
<b>Wide Area Telephone Service (WATS)</b>	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
<b>Wire Center</b>	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>



## ABBREVIATIONS USED IN ANNUAL REPORTS

<b>Acct</b>	.....	Account
<b>Accum</b>	.....	Accumulated
<b>Acq</b>	.....	Acquisition
<b>Admin</b>	.....	Administrative
<b>Alloc</b>	.....	Allocation
<b>Amort</b>	.....	Amortization
 <b>CO</b>	 .....	 Central Office
 <b>Depr</b>	 .....	 Depreciation
 <b>Equip</b>	 .....	 Equipment
<b>Exp</b>	.....	Expenses
<b>EOY</b>	.....	End of Year
 <b>FOY</b>	 .....	 First of Year
 <b>Info</b>	 .....	 Information
<b>ITC</b>	.....	Investment Tax Credit
 <b>Misc</b>	 .....	 Miscellaneous
 <b>Nonoper</b>	 .....	 Nonoperating
<b>Nonreg</b>	.....	Nonregulated
 <b>Oper</b>	 .....	 Operating
<b>Opns</b>	.....	Operations
<b>Orig</b>	.....	Originating
 <b>Prop</b>	 .....	 Property
 <b>Receiv</b>	 .....	 Receivable
<b>Reg</b>	.....	Regulated
<b>Rev</b>	.....	Revenues
 <b>Svcs</b>	 .....	 Services
 <b>Telecom</b>	 .....	 Telecommunications
<b>Term</b>	.....	Terminating
<b>TPIS</b>	.....	Telecommunications Plant in Service
<b>TPUC</b>	.....	Telecommunications Plant Under Construction
 <b>Uncoll</b>	 .....	 Uncollectible

## IDENTIFICATION AND OWNERSHIP

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**Exact Utility Name:**                DICKEYVILLE TELEPHONE CORPORATION  
**Utility Location:**                140 N MONROE ST  
                                             P.O. BOX 509  
                                             LANCASTER, WI 53813-0509

**Utility Web Site Address:**

**When was utility organized?:** 05/09/1956

**Report any change in name and the effective date:**

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**Officer in charge of correspondence concerning this report**

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**Name:**                MR TERRY M. MATHERS  
**Title:**                GENERAL MANAGER/TREASURER

**Office Address:**                140 NORTH MONROE STREET  
                                             P.O. BOX 509  
                                             LANCASTER, WI 53813-0509

**Fax Number:**                (608) 723 - 2400  
**Telephone Number:**                (608) 723 - 3634  
**Email Address:**                tmathers@pcii.net

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**Individual or firm, if other than utility employee, preparing this report**

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**Name:**  
**Title:**

**Office Address:**

**Fax Number:**  
**Telephone Number:**  
**Email Address:**

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**Person responsible for financial information contained in report**

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**Name:**                MR JAY G. BRANT  
**Title:**                ACCOUNTING MANAGER

**Office Address:**                140 NORTH MONROE STREET  
                                             P.O. BOX 509  
                                             LANCASTER, WI 53813-0509

**Fax Number:**                (608) 723 - 2410  
**Telephone Number:**                (608) 723 - 3629  
**Email Address:**                jaybrant@pcii.net

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**Person responsible for statistical information contained in report**

---

**Name:**                MR JAY G. BRANT  
**Title:**                ACCOUNTING MANAGER

**Office Address:**                140 NORTH MONROE STREET  
                                             P.O. BOX 509  
                                             LANCASTER, WI 53813-0509

**Fax Number:**                (608) 723 - 2410  
**Telephone Number:**                (608) 723 - 3629  
**Email Address:**                jaybrant@pcii.net

## IDENTIFICATION AND OWNERSHIP

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**List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).**

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<b>Name:</b>	PIONEER COMMUNICATIONS, INC.
<b>Address:</b>	140 NORTH MONROE STREET
	PO BOX 231
	LANCASTER, WI 53813-0231
<b>Number of Shares Held:</b>	4,984
<b>Beneficial Owner:</b>	NONE

**INCOME STATEMENT - TOTAL COMPANY**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
Operating Revenues (5000-5300)	770,385	1,123,860	<b>1</b>
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	89,516	109,122	<b>2</b>
Plant Nonspecific Operations Expense	144,379	110,257	<b>3</b>
Customer Operations Expense (6610-6620)	68,679	462,755	<b>4</b>
Corporate Operations Expense (6710-6790)	86,813	84,617	<b>5</b>
Other Operating Income and Expense (7100)	0	0	<b>6</b>
Operating Taxes (7200)	159,214	150,222	<b>7</b>
<b>Total Operating Expenses</b>	<b>548,601</b>	<b>916,973</b>	<b>8</b>
<b>Net Operating Income</b>	<b>221,784</b>	<b>206,887</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	19,599	15,535	<b>10</b>
Nonoperating Taxes (7400)	3,676	2,741	<b>11</b>
Interest and Related Items (7500)	38,609	40,207	<b>12</b>
Extraordinary Items (7600)	0	0	<b>13</b>
Nonregulated Net Income (7990)	274	0	<b>14</b>
<b>Total Nonoperating Income</b>	<b>(22,412)</b>	<b>(27,413)</b>	<b>15</b>
<b>Net Income</b>	<b>199,372</b>	<b>179,474</b>	<b>16</b>

## NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

- 
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

**See Footnote A - "Summary of Significant Accounting Policies".**

**A**

- 
2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

**None.**

- 
3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

**See Footnote B - "Dividend Restriction".**

**B**

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120)*	674,302	410,982	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>674,302</b>	<b>410,982</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180)*	43,546	97,448	6
Accounts Receivable Allowance-Telecom (1181)*	0	11,126	7
<b>Net: Telecommunications Accounts Receivable</b>	<b>43,546</b>	<b>86,322</b>	
Other Accounts Receivable (1190)*	91,611	93,848	8
Accounts Receivable Allowance--Other (1191)*			9
<b>Net: Other Accounts Receivable</b>	<b>91,611</b>	<b>93,848</b>	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
<b>Net: Notes Receivable</b>	<b>0</b>	<b>0</b>	
Interest and Dividends Receivable (1210)*	803	667	12
<b>TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL</b>	<b>135,960</b>	<b>180,837</b>	
<b>SUPPLIES</b>			
Inventories (1220)*			13
<b>TOTAL SUPPLIES</b>	<b>0</b>	<b>0</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280)*	3,892	7,427	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
<b>TOTAL PREPAYMENTS</b>	<b>3,892</b>	<b>7,427</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350)*	3,001	9,083	20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>3,001</b>	<b>9,083</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>817,155</b>	<b>608,329</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	55,050	55,450	22
Nonregulated Investments (1406)*	0	0	23
Unamortized Debt Issuance Expense (1407)*	320	345	24
Sinking Funds (1408)*	0	0	25

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Other Noncurrent Assets (1410)*			26
<b>TOTAL INVESTMENTS</b>	<b>55,370</b>	<b>55,795</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*			29
<b>TOTAL DEFERRED CHARGES</b>	<b>0</b>	<b>0</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>55,370</b>	<b>55,795</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001)*	1,655,579	1,677,353	30
Less: Accumulated Depreciation (3100)*	762,684	663,876	31
Less: Accumulated Amortization--Capitalized Leases (3410)*			32
Less: Accumulated Amortization--Leasehold Improvements (3420)*			33
Less: Accumulated Amortization--Intangible (3500)*			34
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>892,895</b>	<b>1,013,477</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002)*			35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			36
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006)*			37
Less: Accumulated Depreciation--Nonoperating (3300)*			38
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>	
<b>TPUC</b>			
TPUC (2003)*			39
<b>TOTAL TPUC</b>	<b>0</b>	<b>0</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005)*			40
Less: Accumulated Amortization--Other (3600)*			41
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>892,895</b>	<b>1,013,477</b>	
<b>TOTAL ASSETS AND OTHER DEBITS*</b>	<b>1,765,420</b>	<b>1,677,601</b>	

**BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>Balance--EOY (b)</b>	<b>Balance--FOY (c)</b>	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010)*	91,510	108,201	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*			3
Customer Deposits (4040)*	50	50	4
Current Maturities--Long-Term Debt (4050)*	37,607	36,381	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	235	(1,226)	7
Other Taxes--Accrued (4080)*	(10,337)	(16,817)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	7,557	7,322	11
Other Current Liabilities (4130)*			12
<b>TOTAL CURRENT LIABILITIES*</b>	<b>126,622</b>	<b>133,911</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210)*	737,602	774,888	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
<b>TOTAL LONG-TERM DEBT*</b>	<b>737,602</b>	<b>774,888</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310)*			20
Unamortized Operating ITC--Net (4320)*	8,474	16,402	21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	121,006	130,127	23
Net Deferred Tax Liability Adjustments (4341)*	(5,532)	(12,666)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(203)	(273)	25
Other Deferred Credits (4360)*			26
Deferred Tax Regulatory Liability (4361)*	5,533	12,666	27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*</b>	<b>129,278</b>	<b>146,256</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510)*	99,680	99,680	28
Additional Paid-in Capital (4520)*	8,845	8,845	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*			31
Retained Earnings (4550)*	663,393	514,021	32
<b>TOTAL STOCKHOLDERS' EQUITY*</b>	<b>771,918</b>	<b>622,546</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS*</b>	<b>1,765,420</b>	<b>1,677,601</b>	



**STATEMENT OF CASH FLOWS**

Item (a)	Amount (b)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	199,372	1
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</b>		
Depreciation and amortization	136,561	2
Interest during construction	0	3
<b>Changes in assets and liabilities:</b>		
Current assets (net)	54,494	4
Other noncurrent assets	(25)	5
Other current liabilities	(8,515)	6
Other liabilities and deferred credits	(16,978)	7
<b>Other (specify):</b>		
<b>TOTAL ADJUSTMENTS</b>	<b>165,537</b>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME &amp; ADJUST.)</b>	<b>364,909</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Capital Expenditures:</b>		
Changes in plant (net)	(15,979)	8
Investments in affiliated companies	0	9
Nonoperating Investments	400	10
<b>Other (specify):</b>		
<b>NET CASH USING IN INVESTING ACTIVITIES</b>	<b>(15,579)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(36,010)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(50,000)	15
Miscellaneous debits/credits to retained earnings	0	16
<b>Other (specify):</b>		
<b>Net Cash Provided by Financing Activities</b>	<b>(86,010)</b>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>263,320</b>	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

## IMPORTANT CHANGES DURING THE YEAR

- 
1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

**None**

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2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

**None**

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3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

**None**

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4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

**None**

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5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

**None**

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6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

**None**

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7. Changes in articles of incorporation or amendments to charter.

**None**

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## IMPORTANT CHANGES DURING THE YEAR

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8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

Dickeyville Telephone Corporation is a subsidiary of the Holding Company - Pioneer Communications, Inc. Pioneer Communications, Inc. merged with Mid-Plains, Inc. effective June 1, 1997. Pioneer Communications is now a subsidiary of the new Holding Company - Chorus Communications Group, Ltd.

Dickeyville Telephone Corporation transferred its Public Telephone Terminal Equipment to Pioneer Communications, Inc. at net book value. At the time of transfer total asset value was \$5,751 and total accumulated depreciation was \$5,751.

On January 1, 1997 Dickeyville Telephone Corporation sold its long distance division (formerly know as DWR Long Distance) to Pioneer Communications, Inc. Also at that time the General Computer Equipment related to that division was transferred to Pioneer Communications, Inc. at net book value. At the time of transfer total asset value was \$27,000 and total accumulated depreciation was \$16,357.

## AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
CHORUS COMMUNICATIONS GROUP, LTD	CCG	1
FARMERS TELEPHONE COMPANY	FTC	2
MID-PLAINS, INC.	MPI	3
PIONEER COMMUNICATIONS, INC.	PCI	4

**AFFILIATED INTEREST TRANSACTIONS**

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

<b>Particulars</b> <b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	
Docket	None	Various	None	Various	
Name of Affiliate	CCG	FTC	MPI	PCI	1
Designate whether billed to or from:	FROM	FROM	FROM	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	C	3
Revenues					4
<b>Expenses:</b>					
Plant Specific Operations Expense		61,026		491	5
Plant Nonspecific Operations Expense		3,490			6
Customer Operations Expense	1	34,336	28	26,788	7
Corporate Operations Expense	3,299	22,088			8
<b>Total Operating Expenses</b>	<b>3,300</b>	<b>120,940</b>	<b>28</b>	<b>27,279</b>	<b>9</b>
<b>Other:</b>					
Plant Accounts		17,671		10,643	10
Accumulated Depreciation		27			11
Accumulated Amortization					12
Clearing					13
All Other					14
<b>Total</b>	<b>3,300</b>	<b>138,638</b>	<b>28</b>	<b>37,922</b>	<b>15</b>
Percent of affiliate's business billed to all affiliated regulated utilities					16
If cost based, rate of return on equity or markup incorporated in billings	0.00	9.00	0.00		17
Footnotes		<b>N</b>		<b>N</b>	

**AFFILIATED ASSETS AND LIABILITIES**

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

<b>Name of Affiliate (a)</b>	<b>Account Number (b)</b>	<b>Balance EOY (c)</b>	
CHORUS COMMUNICATIONS GROUP, LTD	1190	3,413	<b>1</b>
FARMERS TELEPHONE COMPANY	1190	80	<b>2</b>
PIONEER COMMUNICATIONS, INC.	1190	9,983	<b>3</b>
CHORUS COMMUNICATIONS GROUP, LTD	4010	3,300	<b>4</b>
FARMERS TELEPHONE COMPANY	4010	31,127	<b>5</b>
MID-PLAINS, INC.	4010	28	<b>6</b>
PIONEER COMMUNICATIONS, INC.	4010	6,205	<b>7</b>

## ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

Particulars (a)	Amount (b)	
Collection of amounts previously written off		1
Uncollectibles written off during the year	2,129	2 c
<b>Net write offs during the year</b>	<b><u>2,129</u></b>	

# **NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)**

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

<b>Name of Maker and purpose (a)</b>	<b>Issue Date (b)</b>	<b>Maturity (c)</b>	<b>Interest Rate (d)</b>	<b>Amount EOY (e)</b>	<b>Allowance Acct. 1201 (f)</b>
----------------------------------------------	-------------------------------	-------------------------	----------------------------------	-------------------------------	-----------------------------------------

NONE

<b>Total</b>				<u><u>0</u></u>	<u><u>0</u></u>	<b>1</b>
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**INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)**

Name (a)	Balance EOY (b)	
RTB Class B Stock	39,350	1
<b>Other:</b>		
WITS	15,700	2
<b>Total Investments in Nonaffiliated Companies</b>	<b>55,050</b>	

## NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

Name (a)	Balance EOY (b)	
<b>Total Net Investment and Inventory ( Accts. 1406.10, 1406.11, and 1406.12 ):</b>		
A/C 1406.10 Polling unit for call accounting for WATS Resale	1,785	<b>1</b>
A/C 1406.11 Depreciation reserve related to above	(1,785)	<b>2</b>

**DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)**

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)
NONE	
<b>Total</b>	<b>0</b>

1

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

<b>Plant Account (a)</b>	<b>Account (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	4,283		1
Motor Vehicles	2112			2
Aircraft	2113			3
Special Purpose Vehicles	2114			4
Garage Work Equipment	2115			5
Other Work Equipment	2116	362		6
Buildings	2121	31,906		7
Furniture	2122	2,850		8
Office Equipment	2123	2,750	0	9
General Purpose Computers	2124	27,000		10 F
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>69,151</b>	<b>0</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211			11
Digital Electronic Switching	2212	369,953	7,867	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220			14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	139,143	8,571	16
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>509,096</b>	<b>16,438</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311			17
Customer Premises Wiring	2321			18
Large Private Branch Exchanges	2341			19
Public Telephone Terminal Equipment	2351	5,751		20 G
Other Terminal Equipment	2362			21
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>5,751</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	2,493		22
Aerial Cable	2421	36,901	27	23
Underground Cable	2422	25,726	0	24
Buried Cable	2423	1,004,434	10,660	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425			27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	1,067		29
Conduit Systems	2441	22,734		30
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>1,093,355</b>	<b>10,687</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681			31

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2111			4,283	1
2112			0	2
2113			0	3
2114			0	4
2115			0	5
2116			362	6
2121			31,906	7
2122			2,850	8
2123	0	0	2,750	9
2124		(27,000)	0	10 F
	<b>0</b>	<b>(27,000)</b>	<b>42,151</b>	
2211			0	11
2212	13,048	0	364,772	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	966	0	146,748	16
	<b>14,014</b>	<b>0</b>	<b>511,520</b>	
2311			0	17
2321			0	18
2341			0	19
2351		(5,751)	0	20 G
2362			0	21
	<b>0</b>	<b>(5,751)</b>	<b>0</b>	
2411			2,493	22
2421	105	0	36,823	23
2422	0	0	25,726	24
2423	2,029	0	1,013,065	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			1,067	29
2441			22,734	30
	<b>2,134</b>	<b>0</b>	<b>1,101,908</b>	
2681			0	31

## TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
<b>AMORTIZABLE ASSETS</b>			
Leasehold Improvements	2682		32
Intangibles	2690		33
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>0</b>	<b>0</b>
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>1,677,353</b>	<b>27,125</b>
Less: Allocation to Nonregulated Activity - EOY	2001		34
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>		

Explain all amounts shown in column (g).

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682			0	32
2690			0	33
	0	0	0	
	16,148	(32,751)	1,655,579	
2001			0	34
			1,655,579	

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)**

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subaccount (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
Office Support Equipment	2123.1	1,869		<b>1</b>
Company Communications Equipment	2123.2	881		<b>2</b>
Software	2212.1			<b>3</b>
Digital Switching - Central Office	2212.2			<b>4</b>
Digital Switching - Remote	2212.3	369,953	7,867	<b>5</b>
Step by Step Switching	2215.1			<b>6</b>
Crossbar Switching	2215.2			<b>7</b>
Satellite and Earth Station Facilities	2231.1			<b>8</b>
Other Radio Facilities	2231.2			<b>9</b>
Digital Circuit Equipment	2232.1	104,872	1,100	<b>10</b>
Analog Circuit Equipment	2232.2	5,028	7,471	<b>11</b>
Light Wave Circuit Equipment	2232.3	29,243		<b>12</b>
Aerial Cable - Nonmetallic	2421.1			<b>13</b>
Aerial Cable - Metallic	2421.2	36,901	27	<b>14</b>
Underground Cable - Nonmetallic	2422.1			<b>15</b>
Underground Cable - Metallic	2422.2	25,726		<b>16</b>
Buried Cable - Nonmetallic	2423.1	69,743		<b>17</b>
Buried Cable - Metallic	2423.2	934,691	10,660	<b>18</b>
Submarine Cable - Nonmetallic	2424.1			<b>19</b>
Submarine Cable - Metallic	2424.2			<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1			<b>21</b>
Intrabuilding Cable - Metallic	2426.2			<b>22</b>

Explain all amounts shown in column (g).



**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)**  
(cont.)

<b>Subaccount (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2123.1			1,869	1
2123.2			881	2
2212.1			0	3
2212.2			0	4
2212.3	13,048		364,772	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	212		105,760	10
2232.2	754		11,745	11
2232.3			29,243	12
2421.1			0	13
2421.2	105		36,823	14
2422.1			0	15
2422.2			25,726	16
2423.1			69,743	17
2423.2	2,029		943,322	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>	
<b>GENERAL SUPPORT ASSETS</b>						
Motor Vehicles	2112					<b>1</b>
Aircraft	2113					<b>2</b>
Special Purpose Vehicles	2114					<b>3</b>
Garage Work Equipment	2115					<b>4</b>
Other Work Equipment	2116	362	6.6	0		<b>5</b>
Buildings	2121	17,172	2.5	798		<b>6</b>
Furniture	2122	2,585	20.0	265		<b>7</b>
Office Equipment	2123	1,977	2.13	59		<b>8</b>
General Purpose Computers	2124	16,357	16.66	0		<b>9H</b>
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>38,453</b>		<b>1,122</b>	<b>0</b>	
<b>CENTRAL OFFICE ASSETS</b>						
Analog Electronic Switching	2211					<b>10</b>
Digital Electronic Switching	2212	92,643	10.0	36,285		<b>11</b>
Electro-Mechanical Switching	2215					<b>12</b>
Operator Systems	2220					<b>13</b>
Radio Systems	2231					<b>14</b>
Circuit Equipment	2232	79,785	10.32	14,900		<b>15</b>
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>172,428</b>		<b>51,185</b>	<b>0</b>	
<b>INFORMATION ORIG/TERM ASSETS</b>						
Station Apparatus	2311					<b>16</b>
Customer Premises Wiring	2321					<b>17</b>
Large Private Branch Exchanges	2341					<b>18</b>
Public Telephone Terminal Equipment	2351	5,751	10.0			<b>19I</b>
Other Terminal Equipment	2362					<b>20</b>
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>5,751</b>		<b>0</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>						
Poles	2411	1,155	11.67	291		<b>21</b>
Aerial Cable	2421	24,795	12.5	4,603		<b>22</b>
Underground Cable	2422	12,318	4.0	1,029		<b>23</b>
Buried Cable	2423	401,230	7.72	77,630		<b>24</b>
Submarine Cable	2424					<b>25</b>
Deep Sea Cable	2425					<b>26</b>
Intrabuilding Network Cable	2426					<b>27</b>
Aerial Wire	2431	691	12.5	133		<b>28</b>

## ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	7,055	2.5	568	29
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>447,244</b>		<b>84,254</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>663,876</b>		<b>136,561</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
<b>Net Regulated Total Accum Depreciation - 3100</b>					
<b>Columns e, f and I</b>					

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2112					0	1
2113					0	2
2114					0	3
2115					0	4
2116					362	5
2121					17,970	6
2122					2,850	7
2123	0				2,036	8
2124				(16,357)	0	9 H
	0	0	0	(16,357)	23,218	
2211					0	10
2212	13,048				115,880	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	966	49	722		94,392	15
	14,014	49	722	0	210,272	
2311					0	16
2321					0	17
2341					0	18
2351				(5,751)	0	19 I
2362					0	20
	0	0	0	(5,751)	0	
2411					1,446	21
2421	105	12			29,281	22
2422	0				13,347	23
2423	2,029	158			476,673	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					824	28

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441					7,623	29
	2,134	170	0	0	529,194	
<b>3100</b>	<b>16,148</b>	<b>219</b>	<b>722</b>	<b>(22,108)</b>	<b>762,684</b>	
3100						30
<b>3100</b>						

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)**

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
Office Support Equipment	2123.1	1,869	20.0	0	1
Company Communications Equipment	2123.2	108	6.67	59	2
Software	2212.1				3
Digital Switching - Central Office	2212.2				4
Digital Switching - Remote	2212.3	92,643	10.0	36,285	5
Step by Step Switching	2215.1				6
Crossbar Switching	2215.2				7
Satellite and Earth Station Facilities	2231.1				8
Other Radio Facilities	2231.2				9
Digital Circuit Equipment	2232.1	63,607	10.0	10,536	10
Analog Circuit Equipment	2232.2	1,574	20.0	1,929	11
Light Wave Circuit Equipment	2232.3	14,604	8.33	2,435	12
Aerial Cable - Nonmetallic	2421.1				13
Aerial Cable - Metallic	2421.2	24,795	12.5	4,603	14
Underground Cable - Nonmetallic	2422.1				15
Underground Cable - Metallic	2422.2	12,318	4.0	1,029	16
Buried Cable - Nonmetallic	2423.1	18,412	4.0	2,790	17
Buried Cable - Metallic	2423.2	382,818	8.0	74,840	18
Submarine Cable - Nonmetallic	2424.1				19
Submarine Cable - Metallic	2424.2				20
Intrabuilding Cable - Nonmetallic	2426.1				21
Intrabuilding Cable - Metallic	2426.2				22

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)**

<b>Subacct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2123.1					1,869	1
2123.2					167	2
2212.1					0	3
2212.2					0	4
2212.3	13,048				115,880	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	212	20	212		74,123	10
2232.2	754	29	510		3,230	11
2232.3					17,039	12
2421.1					0	13
2421.2	105	12			29,281	14
2422.1					0	15
2422.2					13,347	16
2423.1					21,202	17
2423.2	2,029	158			455,471	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

**NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)**

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ( ).

<b>Particulars (a)</b>	<b>Balance FOY (b)</b>	
<b>PROPERTY RELATED</b>		
Other Current Assets (1350)		<b>1</b>
Other Noncurrent Assets (1410)		<b>2</b>
Deferred Tax Regulatory Asset (1437)		<b>3</b>
Net Current Deferred Operating Income Taxes (4100)		<b>4</b>
Net Noncurrent Deferred Operating Income Taxes (4340)	(130,514)	<b>5</b>
Net Deferred Tax Liability Adjustments (4341)	12,666	<b>6</b>
Deferred Tax Regulatory Liability (4361)	(12,666)	<b>7</b>
<b>Net Property Related Deferred Operating Income Taxes</b>	<b>(130,514)</b>	
Less: Allocation to Nonregulated Activity		<b>8</b>
<b>Net Regulated Total Property Related Deferred Operating Income Taxes</b>	<b>(130,514)</b>	
<b>NONPROPERTY RELATED</b>		
Other Current Assets (1350)	9,083	<b>9</b>
Other Noncurrent Assets (1410)		<b>10</b>
Deferred Tax Regulatory Asset (1437)		<b>11</b>
Net Current Deferred Operating Income Taxes (4100)		<b>12</b>
Net Noncurrent Deferred Operating Income Taxes (4340)	387	<b>13</b>
Net Deferred Tax Liability Adjustments (4341)		<b>14</b>
Deferred Tax Regulatory Liability (4361)		<b>15</b>
<b>Total Nonproperty Related Deferred Operating Income Taxes</b>	<b>9,470</b>	



**NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)**

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
				0	3
7250				0	4
7250	9,508			(121,006)	5
		7,134		5,532	6
		(7,133)		(5,533)	7
	9,508	1	0	(121,007)	8
				0	
	9,508	1	0	(121,007)	
7250	(6,082)			3,001	9
7250				0	10
				0	11
7250				0	12
7250	(387)			0	13
				0	14
				0	15
	(6,469)	0	0	3,001	

### NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)
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NONE

<b>Total Notes Payable</b>	<u><u>0</u></u>	<b>1</b>
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**LONG-TERM DEBT**

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

<b>Description of Debt (a)</b>	<b>Specific or Range of Stated Dates of Issue (b)</b>	<b>Specific or Range of Stated Dates of Maturity (c)</b>	<b>Specific or Range of Interest Rates (d)</b>	
<b>Funded Debt (Account 4210):</b>				
RTB Note #S010	01/01/1973	01/01/2008	4.0000	<b>1</b>
RTB Note #S020	01/01/1979	01/01/2014	7.0000	<b>2</b>
RUS Note #12050	01/01/1979	01/01/2014	5.0000	<b>3</b>
RUS Note #12051	01/01/1982	01/01/2017	5.0000	<b>4</b>
RUS Note #12060	01/01/1982	01/01/2017	5.0000	<b>5</b>
RUS Note #12062	01/01/1990	01/01/2017	5.0000	<b>6</b>
<b>Total Funded Debt</b>				

## LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
4.0000			268,539	19,669	288,208	1
7.0000			86,767	6,355	93,122	2
5.0000			14,710	446	15,156	3
5.0000			55,752	1,689	57,441	4
5.0000			173,384	5,253	178,637	5
5.0000			138,450	4,195	142,645	6
	0	0	737,602	37,607	775,209	

## CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
<b>COMMON STOCK:</b>			
Common Stock	10,000	20.00	1
<b>TOTAL COMMON STOCK</b>	<b>10,000</b>		
<b>TOTAL</b>	<b><u>10,000</u></b>		

**CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)**

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
<b>COMMON STOCK:</b>					
Common Stock	4,984	99,680	0	0	1
	<b>4,984</b>	<b>99,680</b>	<b>0</b>	<b>0</b>	
<b>TOTAL</b>	<b>4,984</b>	<b>99,680</b>	<b>0</b>	<b>0</b>	

### RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	514,021	534,547	1
<b>Changes:</b>			
Balance Transferred from Income	199,372	179,474	2
<b>Dividends Declared:</b>			
Common	50,000	200,000	3
Preferred			4
<b>Total Dividends Declared</b>	<b>50,000</b>	<b>200,000</b>	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings			6
<b>Balance--End of Year</b>	<b>663,393</b>	<b>514,021</b>	

**DISTRIBUTION OF TAXES**

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

<b>Summary Account/ Function Charged (a)</b>	<b>Wisconsin License Fee (b)</b>	<b>Wisconsin Income Tax (c)</b>	<b>Federal Income Tax (d)</b>	
Operating Taxes (Accts. 7210 - 7250)	44,379	26,141	87,055	<b>1</b>
Nonoperating Taxes (Accts. 7410 - 7450)		855	2,821	<b>2</b>
Extraordinary Items (Accts. 7630 & 7640)				<b>3</b>
Nonregulated Net Income (Acct. 7990)		(175)	(99)	<b>4</b>
Clearing Accounts				<b>5</b>
Construction				<b>6</b>
Payroll Taxes: FICA				<b>7</b>
Payroll Taxes: State Unemployment				<b>8</b>
Payroll Taxes: Federal Unemployment				<b>9</b>
<b>Other (specify):</b>				
ITC			7,928	<b>10</b>
Deferred Taxes		(561)	41	<b>11</b>
<b>TOTAL</b>	<b><u>44,379</u></b>	<b><u>26,260</u></b>	<b><u>97,746</u></b>	



## DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
1,639					159,214	1
					3,676	2
					0	3
					(274)	4
					0	5
					0	6
				1,658	1,658	7
				47	47	8
				118	118	9
					7,928	10
					(520)	11
<u>1,639</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,823</u>	<u>171,847</u>	

**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000)*	277,332	261,506	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>277,332</b>	<b>261,506</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081)*	50,154	48,183	11
Switched Access Revenue (5082)*	246,451	230,961	12
Special Access Revenue (5083)*	3,596	3,844	13
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>300,201</b>	<b>282,988</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	121,855	110,667	15
Special Access Revenue (5084.3)*	14,638	16,608	16
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>136,493</b>	<b>127,275</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100)*	0	395,504	17 J
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>0</b>	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>0</b>	<b>395,504</b>	

**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230)*	22,268	19,846	<b>30</b>
Rent Revenue (5240)*	50	48	<b>31</b>
Corporate Operations Revenue (5250)*			<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260)*	6,568	2,391	<b>33</b>
Special Billing Arrangements Revenue (5261)			<b>34</b>
Customer Operations Revenue (5262)			<b>35</b>
Plant Operations Revenue (5263)			<b>36</b>
Other Incidental Regulated Revenue (5264)			<b>37</b>
Other Revenue Settlements (5269)			<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>6,568</b>	<b>2,391</b>	
Interstate Billing and Collection Revenue*	12,390	14,929	<b>39</b>
Intrastate Billing and Collection Revenue*	18,451	24,794	<b>40 K</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>30,841</b>	<b>39,723</b>	
Nonregulated Operating Revenue (5280)**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>59,727</b>	<b>62,008</b>	
<b>GROSS OPERATING REVENUES</b>	<b>773,753</b>	<b>1,129,281</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300)*	3,368	5,421	<b>42</b>
Uncollectible Revenue--Telecommunications (5301)			<b>43</b>
Uncollectible Revenue--Other (5302)			<b>44</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>3,368</b>	<b>5,421</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>770,385</b>	<b>1,123,860</b>	

\*\* Account 5280 is to be used only by those companies subject to dual jurisdiction.

**EXPENSE MATRIX - CLASS A & B**

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>				
Total Network Support Expense ( 6110 )	3,054	1,961	0	1
Less: Nonregulated		0		2
<b>Net Regulated</b>	<b>3,054</b>	<b>1,961</b>	<b>0</b>	<b>3</b>
Total General Support Expense ( 6120 )	69,546	55,719	820	4
Less: Nonregulated		0		5
<b>Net Regulated</b>	<b>69,546</b>	<b>55,719</b>	<b>820</b>	<b>6</b>
Total Central Office Switching Expense ( 6210 )	10,292	8,883	4,291	7
Less: Nonregulated		0		8
<b>Net Regulated</b>	<b>10,292</b>	<b>8,883</b>	<b>4,291</b>	<b>9</b>
Total Operator Systems Expense ( 6220 )	0	0	0	10
Less: Nonregulated		0		11
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>
Total Central Office Transmission Expenses ( 6230 )	1,298	1,052	468	13
Less: Nonregulated		0		14
<b>Net Regulated</b>	<b>1,298</b>	<b>1,052</b>	<b>468</b>	<b>15</b>
Total Information Orig. / Term. Expense ( 6310 )	172	110	57	16
Less: Nonregulated		0		17
<b>Net Regulated</b>	<b>172</b>	<b>110</b>	<b>57</b>	<b>18</b>
Total Cable and Wire Fac. Expense ( 6410 )	24,760	21,791	8,977	19
Less: Nonregulated		0		20
<b>Net Regulated</b>	<b>24,760</b>	<b>21,791</b>	<b>8,977</b>	<b>21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>109,122</b>	<b>89,516</b>	<b>14,613</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>109,122</b>	<b>89,516</b>	<b>14,613</b>	
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>				
Total Other Property, Plant and Equip. Exp. ( 6510 )	0	0	0	22
Less: Nonregulated		0		23
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>
Total Network Operations Expense ( 6530 )	7,267	7,818	2,768	25
Less: Nonregulated		0		26
<b>Net Regulated</b>	<b>7,267</b>	<b>7,818</b>	<b>2,768</b>	<b>27</b>
Access Expense ( 6540 )	0	0	0	28
Less: Nonregulated		0		29
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>
Total Depreciation and Amortization Expense ( 6560 )	102,990	136,561		31
Less: Nonregulated		0		32 D
<b>Net Regulated</b>	<b>102,990</b>	<b>136,561</b>		<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>110,257</b>	<b>144,379</b>	<b>2,768</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>110,257</b>	<b>144,379</b>	<b>2,768</b>	

**EXPENSE MATRIX - CLASS A & B (cont.)**

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110	0	0	1,961		1
					2
	0	0	1,961	0	3
6120	135	9,928	44,836		4
					5
	135	9,928	44,836	0	6
6210	1,105	0	3,487		7
					8
	1,105	0	3,487	0	9
6220	0	0	0		10
					11
	0	0	0	0	12
6230	133	451	0		13
					14
	133	451	0	0	15
6310	11	0	42		16
					17
	11	0	42	0	18
6410	2,204	3,180	7,430		19
					20
	2,204	3,180	7,430	0	21
	3,588	13,559	57,756	0	
	0	0	0	0	
	3,588	13,559	57,756	0	
6510	0	0	0	0	22
					23
	0		0	0	24
6530	722	0	4,328		25
					26
	722	0	4,328	0	27
6540	0	0	0		28
					29
	0	0	0	0	30
6560			136,561		31
					32 D
			136,561		33
	722	0	140,889	0	
	0	0	0	0	
	722	0	140,889	0	

**EXPENSE MATRIX - CLASS A & B**

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
<b>CUSTOMER OPERATIONS EXPENSE</b>				
Total Marketing ( 6610 )	33,357	108	79	34
Less: Nonregulated		0		35 E
<b>Net Regulated</b>	<b>33,357</b>	<b>108</b>	<b>79</b>	<b>36</b>
Total Services ( 6620 )	429,398	68,571	31,301	37
Less: Nonregulated		0		38 E
<b>Net Regulated</b>	<b>429,398</b>	<b>68,571</b>	<b>31,301</b>	<b>39</b>
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>462,755</b>	<b>68,679</b>	<b>31,380</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>462,755</b>	<b>68,679</b>	<b>31,380</b>	
<b>CORPORATE OPERATIONS EXPENSE</b>				
Total Exec. and Planning ( 6710 )	42,668	44,321	36,658	40
Less: Nonregulated		0		41
<b>Net Regulated</b>	<b>42,668</b>	<b>44,321</b>	<b>36,658</b>	<b>42</b>
Total General and Administrative ( 6720 )	41,949	42,492	12,459	43
Less: Nonregulated		0		44
<b>Net Regulated</b>	<b>41,949</b>	<b>42,492</b>	<b>12,459</b>	<b>45</b>
Provision for Uncollectible Notes Receiv. ( 6790 )	0	0		46
Less: Nonregulated		0		47
<b>Net Regulated</b>	<b>0</b>	<b>0</b>		<b>48</b>
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>84,617</b>	<b>86,813</b>	<b>49,117</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>84,617</b>	<b>86,813</b>	<b>49,117</b>	
<b>TOTAL EXPENSES</b>	<b>766,751</b>	<b>389,387</b>	<b>97,878</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>766,751</b>	<b>389,387</b>	<b>97,878</b>	

**EXPENSE MATRIX - CLASS A & B (cont.)**

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610	28	0	1		34
					35 E
	28	0	1	0	36
6620	7,590		29,680		37
					38 E
	7,590		29,680	0	39
	7,618	0	29,681	0	
	0	0	0	0	
	7,618	0	29,681	0	
6710	1,382		6,281		40
					41
	1,382		6,281	0	42
6720	3,064		26,969		43
					44
	3,064		26,969	0	45
6790			0		46
					47
			0		48
	4,446	0	33,250	0	
	0	0	0	0	
	4,446	0	33,250	0	
	16,374	13,559	261,576	0	
	0	0	0	0	
	16,374	13,559	261,576	0	

### EXPENSE MATRIX - CLASS A & B ( DETAIL )

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. ( 6511 )	0	0	0	1
Provisioning Expense ( 6512 )	0	0	0	2
<b>Total: Reported in Account 6510</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	102,990	136,561		3
Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562 )	0	0		4
Amortization Expense--Tangible ( 6563 )	0	0		5
Amortization Expense--Intangible ( 6564 )	0	0		6
Amortization Expense--Other ( 6565 )	0	0		7
<b>Total: Reported in Account 6560</b>	<b>102,990</b>	<b>136,561</b>		



**EXPENSE MATRIX - CLASS A & B ( DETAIL ) (cont.)**

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511	0		0		1
6512	0		0		2
	0		0	0	
6561			136,561		3
6562			0		4
6563			0		5
6564			0		6
6565			0		7
			136,561		

## CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

**Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.**

Description (a)	This Year (b)	
Gross Operating Revenues	773,753	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	2,129	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): Uncollectibles	(1,239)	8 M
<b>Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes</b>	<b>770,385</b>	

## CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	277,332	1
Plus: Total Intrastate Access Revenues (5084)	136,493	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b>413,825</b>	

## CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

**Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.**

Description (a)	This Year (b)	
Gross Operating Revenues	773,753	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	2,129	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): Uncollectibles	(1,239)	8 M
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b>770,385</b>	

## CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	277,332	1
Plus: Total Intrastate Access Revenues (5084)	136,493	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b>413,825</b>	

**OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars</b> <b>(a)</b>	<b>This Year</b> <b>(b)</b>	<b>Last Year</b> <b>(c)</b>	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Income from Custom Work (7110)*			1
Return from Nonregulated Use of Regulated Facilities (7130)*			2
Gains and (Losses) from Foreign Exchange (7140)			3
Gains or (Losses) from the Disposition of Land and Artworks (7150)			4
Other Operating Gains and (Losses) (7160)*			5
<b>TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*</b>	<b>0</b>	<b>0</b>	
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210)*	(7,554)	(7,554)	6
Operating Federal Income Taxes (7220)*	94,822	78,138	7
Operating State and Local Income Taxes (7230)*	25,638	18,827	8
Operating Other Taxes (7240)*	46,018	48,676	9
Provision for Deferred Operating Income Taxes--Net (7250)*	290	12,135	10
<b>TOTAL OPERATING TAXES (7200)*</b>	<b>159,214</b>	<b>150,222</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310)*			11
Interest Income (7320)*	20,162	16,540	12
Income from Sinking and Other Funds (7330)*			13
Allowance for Funds Used During Construction (7340)*			14
Gains or (Losses) from the Disposition of Certain Property (7350)*			15
Other Nonoperating Income (7360)*	72	0	16
Special Charges (7370)*	635	1,005	17
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)*</b>	<b>19,599</b>	<b>15,535</b>	
<b>NONOPERATING TAXES</b>			
Nonoperating Investment Tax Credits--Net (7410)*			18
Nonoperating Federal Income Taxes (7420)*	2,606	2,084	19
Nonoperating State and Local Income Taxes (7430)*	797	657	20
Nonoperating Other Taxes (7440)*			21
Provision for Deferred Nonoperating Income Taxes--Net (7450)*	273	0	22
<b>TOTAL NONOPERATING TAXES (7400)*</b>	<b>3,676</b>	<b>2,741</b>	
<b>INTEREST AND RELATED ITEMS</b>			
Interest on Funded Debt (7510)*	38,580	40,180	23
Interest Expense--Capital Leases (7520)*			24
Amortization of Debt Issuance Expense (7530)*	25	25	25
Other Interest Deductions (7540)*	4	2	26
<b>TOTAL INTEREST AND RELATED ITEMS (7500)*</b>	<b>38,609</b>	<b>40,207</b>	
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)			28
Extraordinary Income Charges (7620)			29
Current Income Tax Effect of Extraordinary Items--Net (7630)			30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)			31
<b>TOTAL EXTRAORDINARY ITEMS (7600)*</b>	<b>0</b>	<b>0</b>	
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990)*	274	0	32

### NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	0	1
Less: Cost of Goods Sold	0	2
<b>Net Sales</b>	<b>0</b>	<b>3</b>
Expenses (Acct. 7990.2)	(274)	4
<b>Nonregulated Net Income</b>	<b><u>274</u></b>	<b>5</b>

List the type of nonregulated activities that company is involved in:

Expenses are related to a polling unit for call accounting for the WATS Resale.

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

**DISTRIBUTION OF SALARIES AND WAGES**

<b>Description (a)</b>	<b>Amount (b)</b>	
Regulated Expense	97,878	1
Nonregulated Expense		2
Plant Accounts		3
Accumulated Depreciation Accounts		4
All Other Accounts	(76,209)	5
<b>Total Salaries and Wages</b>	<b>21,669</b>	6 L

**EMPLOYEE DATA**

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

<b>Employee Category (a)</b>	<b>Number of Equivalent Full-Time Employees</b>		<b>Total Compensation (d)</b>	
	<b>FOY (b)</b>	<b>EOY (c)</b>		
Officers				1
Supervision and Other Management				2
Other Employees	2.41	1.34	21,669	3
<b>Total</b>	<b>2.41</b>	<b>1.34</b>	<b>21,669</b>	

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management				2
Other Employees	2.41	1.34	21,669	3
Total	2.41	1.34	21,669	

**TELEPHONE CALLS AND MINUTES OF USE PER MONTH**

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
<b>LOCAL</b>			
Intra-Exchange	63	162	1
Extended Area Service	123	461	2
Extended Community Calling	6	27	3
Other Local-Undefined			4
<b>Total Local</b>	<b>192</b>	<b>650</b>	
<b>TOLL</b>			
Operator Handled: State--intraLATA	1	2	5 P
Operator Handled: State--interLATA		2	6
Operator Handled: Interstate		6	7
Customer Dialed: State--intraLATA	11	78	8
Customer Dialed: State--interLATA	46	67	9 Q
Customer Dialed: Interstate		213	10
WATS			11
Other Toll-Undefined			12
<b>Total Toll</b>	<b>58</b>	<b>368</b>	
<b>Total Local &amp; Toll</b>	<b>250</b>	<b>1,018</b>	



## ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	1	0	0	0	1
Feature Group A -- Term.	1	2	0	0	2
Feature Group B -- Orig.	0	0	0	0	3
Feature Group B -- Term.	15	0	0	0	4
Feature Group C -- Orig.	0	0	303	0	5
Feature Group C -- Term.	0	0	237	0	6
Feature Group D -- Orig.	1,024	213	314	0	7
Feature Group D -- Term.	1,585	610	109	0	8

## OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	5	1
Sheath miles of plant - buried	96	2
Sheath miles of plant - fiber optics	5	3
Strand miles of plant - fiber optics	40	4
Route miles of plant - microwave	0	5

## SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	3	1
56 kbps	1	3	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	0	3	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

## OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	5	1
Sheath miles of plant - buried	96	2
Sheath miles of plant - fiber optics	5	3
Strand miles of plant - fiber optics	40	4
Route miles of plant - microwave	0	5

## SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	2	3	1
56 kbps	1	3	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	0	3	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

**SERVICE DATA**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Business</b>			
1 Party	134	143	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	4	3	6
Centrex Trunks	0		7
Centrex Lines	0	3	8
Key System Trunks	44	46	9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	22	25	11
FX-Out (Switched)	0		12
Pay Telephone	0	13	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	1	15
Pay Stations - Public	11	0	16
- Semi-Public	1	0	17
- Cust. Owned	1	0	18
Other	0		19
<b>Total Business Lines</b>	<b>217</b>	<b>234</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	926	955	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	3	3	25
Other	0		26
<b>Total Residential Lines</b>	<b>929</b>	<b>958</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>1,146</b>	<b>1,192</b>	<b>28</b>
Company Used Lines	33	29	29
<b>Total Lines Used</b>	<b>1,179</b>	<b>1,221</b>	<b>30</b>

### SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	0	0	4
FX-In-intraLATA	1	1	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	4	78	7
Special Access-interLATA			8
(expressed in equiv. access lines)	3	3	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	0		13
TSPS - Trunks	0		14
EAS - Trunks	0		15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	0		18
<b>Customers</b>			
Business - 2 Party Customers	0		19
Business - 4 Party Customers	0		20
Residential - 2 Party Customers	0		21
Residential - 4 Party Customers	0		22
<b>Other</b>			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical			24
location of plant)	1,608,202	1,613,428	25
Total Company Square Miles	41	41	26
Total Company Route Miles	117	118	27
Footnotes			28
			29
			30

**SERVICE DATA - END OF YEAR**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1490				1
<b>Business</b>					2
1 Party	143				3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	3				6
Centrex Trunks	---CONF---				7
Centrex Lines	3				8
Key System Trunks	46				9
Mobile (utility provided service)					10
Paging (utility provided service)	25				11
FX-Out (Switched)					12
Pay Telephone	13				13
Coin-Operated Pay Telephone	0				14
Independent Pay Telephone Provider	1				15
Pay Stations - Public	0				16
- Semi-Public	0				17
- Cust. Owned	0				18
Other					19
<b>Total Business Lines</b>	<b>234</b>	<b>0</b>	<b>0</b>	<b>0</b>	20
<b>Residential (Incl. Emp. Concess.)</b>					21
1 Party	955				22
2 Party					23
4 Party					24
FX-Out (Switched)	3				25
Other					26
<b>Total Residential Lines</b>	<b>958</b>	<b>0</b>	<b>0</b>	<b>0</b>	27
<b>Total Bus &amp; Res Lines</b>	<b>1,192</b>	<b>0</b>	<b>0</b>	<b>0</b>	28
Company Used Lines	29				29
<b>Total Lines Used</b>	<b>1,221</b>	<b>0</b>	<b>0</b>	<b>0</b>	30

**SERVICE DATA - END OF YEAR (cont.)**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1490				1
<b>Miscellaneous</b>					2
WATS Lines - OutWATS	0				3
WATS Lines - 800 Service	0				4
FX-In-intraLATA	1				5
Special Access-intraLATA					6
(equiv. access lines)	78				7
Special Access-interLATA					8
(equiv. access lines)	3				9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks					13
TSPS - Trunks					14
EAS - Trunks					15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
<b>Customers</b>					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
<b>Other</b>					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,613,428				27
Exchange Square Miles	41				28
Exchange Route Miles	118				29
Footnotes					30

## MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

## EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4



## MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

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Alcatel	AL	1
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Stromberg-Carlson	SC	9
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## EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

**CENTRAL OFFICE DATA - END OF YEAR**

When an exchange has more than one central office, data must be reported for each central office.

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	DICKEYVILLE				1
PSCW Exchange ID	1490				2
Central Office Name	DICKEYVILLE				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	SI				5
Year COE Installed	1994				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	R				8
Remote Host PSCW Exchange ID	2850				9
Remote Host PSCW Central Office ID	1				10
COE Generic Software Release No.	14E				11
SS7?	Yes				12
9-1-1?	Yes				13
Access Lines - In Use	1,303				14
- Equipped	1,524				15
- Wired	2,304				16
Trunks - In Use	0				17
- Equipped	0				18
- Wired	0				19
ISDN Available?	Yes				20
ISDN Lines - In Use (BRI)	0				21
- In Use (PRI)	0				22
Switched 56 Service?	Yes				23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	20				25
DS-3 - In Use	1				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	Yes				31
- In Use (# lines) <sup>1</sup>	0				32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	8				33
No. of fiber strands working (LIT) in C.O.	4				34
No. of fiber strands for interoffice use	8				35
Miles of fiber sheath in wire center	5				36
Access Tandem Serving this C.O.:					
- C.O. Name	PLATTEVILLE				37
- PSCW C.O. ID	4250-02				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	Yes				41
Footnotes	O				42

<sup>1</sup> Teleco provided end-to-end facility.

## **GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**

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### **General Footnote**

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#### **Schedule Footnotes**

##### **Long-Term Debt Footnote. Page 33**

Prior Annual Reports only reported the year in which each note was issued and due to mature. The program required specific dates for the 1997 Annual Report so January 1 was used for all dates.

##### **Expense Matrix - Class A & B Footnote. Page 41**

Expense Matrix page 41: The amount of salaries and wages reported on page 41 does not equal the amount reported on page 46 (Employee Data) for several reasons. The amounts reported on the expense matrix pages for salaries and wages include the following: (1) amounts charged to/from Farmers Telephone Company and Pioneer Communications, Inc. through affiliated billings, (2) compensated absences, (3) Dickeyville Telephone Corporations actual payroll, and (4) payroll accruals. The amount reported on page 46 is Dickeyville Telephone Corporations actual payroll, which matches the W-2s.

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#### **Schedule Line Footnotes**

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

### A) Footnote A - Summary of Significant Accounting Policies

#### PIONEER COMMUNICATIONS, INC.

Dickeyville Telephone Corporation (Corporation) is a wholly-owned subsidiary of Pioneer Communications, Inc. (Pioneer). Pioneer is a wholly-owned subsidiary of Chorus Communications Group, Ltd. (Chorus). Affiliates of Pioneer provide services to other affiliates at cost plus a return on investment.

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Corporation is a provider of telecommunications exchange and local access services in a service area located in southwestern Wisconsin.

The accounting policies of the Corporation conform to generally accepted accounting principles and reflect practices appropriate to the telephone industry. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent revenues and expenses. The accounting records of the Corporation are maintained in accordance with the Uniform System of Accounts for Class A and B Telephone Companies prescribed by the Federal Communications Commission (FCC) as modified by the Public Service Commission of Wisconsin (PSCW).

#### PROPERTY AND EQUIPMENT

Telephone plant is capitalized at original cost, including the capitalized cost of salaries and wages, materials, certain payroll taxes and employee benefits. Beginning in September 1995, regulators modified accounting principles for the allowance for funds used during construction (AFUDC) to conform with Statement of Financial Accounting Standards No. 34 "Capitalization of Interest Cost." The impact of this change was not material. No AFUDC was taken in 1997.

The Corporation provides for depreciation for financial reporting purposes on the straight-line method by the application of rates based on the estimated service lives of the various classes of depreciable property as approved by the Board of Directors.

Depreciation on depreciable property is included in plant nonspecific operations expense at \$136,561 and \$102,990 which resulted in composite rates of 8.2% and 6.2% for 1997 and 1996, respectively.

Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal costs less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

#### INCOME TAXES

For federal income tax purposes, the Corporation is included in a consolidated tax return along with other subsidiaries held by Chorus. For financial reporting purposes, income taxes are presented by apportioning the consolidated tax provision in the ratio of income taxes to be paid as

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

if each were filing a separate return.

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Corporations deferred tax assets and liabilities relate to property and equipment. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Investment tax credits (ITC), which were deferred prior to 1986, are being amortized over the regulatory life of the plant which produced the ITC.

### REVENUE RECOGNITION

The Corporation recognizes revenues when earned regardless of the period in wh

#### B) Footnote B - Dividend Restriction

Substantially all assets of the Corporation are pledged as security for the long-term debt under certain loan agreements with the Rural Utilities Service (RUS) and the Rural Telephone Bank (RTB). These mortgage notes are to be repaid in equal quarterly installments convering principal and interest beginning three years after date of issue and expiring by 2017.

The mortgage to the United States of America, underlying the RUS and RTB notes, contains certain restrictions on the declaration or payment of cash dividends, redemption of capital stock, or investment in affiliated companies. As of December 31, 1997, the maximum amount which could be distributed in accordance with these restrictions was \$108,000 except as might be specifically authorized in writing in advance by the RUS and RTB noteholders.

- C) The long distance division was transferred to Pioneer effective January 1, 1997. Therefore, Accounts Receivable-Long Distance Accounts and Accounts Receivable-Allowance-Long Distance Accounts were both zeroed out. The net effect was a \$2,129 write-off.
- D) Increase in depreciation expense due to increasing depreciation rate on Buried Cable-Metallic from 4% to 8% effective January 1, 1997.
- E) Decrease in expenses in accounts 6610 & 6620 due to transferring the long distance division to Pioneer effective January 1, 1997.
- F) Amount shown in column (g) is for the General Purpose Computers that were transferred to Pioneer when the long distance division was transferred to Pioneer. See also page 13 item 8 for further explanation.
- G) Amount shown in column (g) is for the Public Telephone Terminal Equipment that was transferred to Pioneer when payphones became deregulated. See also page 13 item 8 for further explanation.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- H) Amount shown in column (k) is for the General Purpose Computers that were transferred to Pioneer when the long distance division was transferred to Pioneer. See also page 13 item 8 for further explanation.
- I) Amount shown in column (k) is for the Public Telephone Terminal Equipment that was transferred to Pioneer when payphones became deregulated. See also page 13 item 8 for further explanation.
- J) Decrease in Long Distance Revenue due to transferring the long distance division to Pioneer.
- K) Decrease in Intrastate Billing & Collection Revenues due to decrease in Billing & Collection rates from Ameritech.
- L) The amount for line 1 - Regulated Expense should be \$4,311 and the amount for line 5 - All other accounts should be \$17,358. The program would not allow me to change line 1. See also Schedule footnote for expense matrix (page 41) for further explanation.
- M) Since account 1181 was only used for the long distance division in the past, the only information that is being brought forward from page 17 is related to that. The amount shown on this line is to true-up the total amount of uncollectibles. Collection of amounts previously written off = \$404. Uncollectibles written off during the year = \$1,643. Net uncollectibles = \$1,239.
- N) Docket Nos. 05-AT-103 and 05-AT-105 relate to the affiliated transactions reported on page 15 for columns (b, c, d and e). The transactions that are reported are in accordance with the agreement filed in these dockets.
- O) When entering data in Host Exchange ID/Name data field a Remote Host Central Office ID Error popped up stating: "No Central Office records found for current utility and exchange ID". This is because the Corporation is a remote off of its sister Companys (Farmers Telephone Company) host switch.
- Host Central Office ID/Name: 1 Lancaster
- P) Data for Telephone Calls for Operator Handled: State-intralata, State-interlata and Interstate have been combined into one on line number 5. This is the only way the switch reports the data.
- Q) Data for Telephone Calls for Customer Dialed: State-interlata and Interstate have been combined into one on line 9. This is the only way the switch reports the data.